

The Senate Judiciary Committee offered the following substitute to HB 410:

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 44 of Title 36 of the Official Code of Georgia Annotated, relating to
2 redevelopment powers, so as to revise certain definitions; to provide for the issuance of tax
3 allocation bonds by two or more political subdivisions; to provide for the issuance of tax
4 allocations bonds by redevelopment agencies; to change certain provisions regarding
5 redevelopment of powers of political subdivisions; to change certain provisions regarding
6 delegation of redevelopment powers to a redevelopment agency; to change certain provisions
7 regarding computation of tax allocation increments of tax allocation districts; to change
8 certain provisions regarding allocation of positive tax allocation increments; to change
9 certain provisions regarding payment of redevelopment costs; to change certain provisions
10 regarding issuance of tax allocation bonds; to change certain provisions regarding loans for
11 financing redevelopment costs; to provide for related matters; to repeal conflicting laws; and
12 for other purposes.

13 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

14 Chapter 44 of Title 36 of the Official Code of Georgia Annotated, relating to redevelopment
15 powers, is amended by revising Code Section 36-44-3, relating to definitions, as follows:

16 "36-44-3.

17 As used in this chapter, the term:

18 (1) 'Ad valorem property taxes' means all ad valorem property taxes levied by each
19 political subdivision and each county and independent board of education consenting to
20 the inclusion of that board of education's property taxes as being applicable to a tax
21 allocation district as provided by Code Section 36-44-9, except:

22 (A) Those ad valorem property taxes levied to repay bonded indebtedness;

23 (B) Unless otherwise provided in the resolution creating such district, those ad valorem
24 property taxes levied on personal property or on motor vehicles; and
25

1 (C) Unless otherwise provided in the resolution creating such district, those ad valorem
 2 property taxes levied on the assessed value of property owned by public utilities and
 3 railroad companies, as determined pursuant to the provisions of Chapter 5 of Title 48.

4 (2) 'Area of operation' means, in the case of a municipality or its redevelopment agency,
 5 the territory lying within the corporate limits of such municipality; in the case of a county
 6 or its redevelopment agency, the territory lying within the unincorporated area of the
 7 county; and, in the case of a consolidated government or its redevelopment agency, the
 8 area lying within the territorial boundaries of the consolidated government. 'Area of
 9 operation' may also mean the combined areas of operation of political subdivisions which
 10 participate in the creation of a common redevelopment agency to serve such participating
 11 political subdivisions as provided in subsection (d) of Code Section 36-44-4.

12 (3) 'Local legislative body' means the official or body in which the legislative powers of
 13 a political subdivision are vested.

14 (4) 'Political subdivision' means for purposes of this chapter:

15 (A) Any any county, municipality, or consolidated government of this state; or

16 (B) Each county, municipality, or consolidated government of this state which has
 17 formed a common redevelopment agency as set forth in paragraph (2) of this Code
 18 section with jurisdiction over a portion of a combined area of operation.

19 (5) 'Redevelopment' means any activity, project, or service determined by the local
 20 legislative body to be necessary or incidental to achieving the development or
 21 revitalization of a redevelopment area or a portion thereof designated for redevelopment
 22 by a redevelopment plan or the preservation or improvement of historical or natural assets
 23 within a redevelopment area or a portion thereof designated for redevelopment by a
 24 redevelopment plan. Without limiting the generality of the foregoing, redevelopment
 25 may include any one or more of the following:

26 (A) The construction of any building or other facility for use in any business,
 27 commercial, industrial, governmental, educational, charitable, or social activity;

28 (B) The renovation, rehabilitation, reconstruction, remodeling, repair, demolition,
 29 alteration, or expansion of any existing building or other facility for use in any business,
 30 commercial, industrial, governmental, educational, charitable, or social activity;

31 (C) The construction, reconstruction, renovation, rehabilitation, remodeling, repair,
 32 demolition, alteration, or expansion of public or private housing;

33 (D) The construction, reconstruction, renovation, rehabilitation, remodeling, repair,
 34 demolition, alteration, or expansion of public works or other public facilities necessary
 35 or incidental to the provision of governmental services;

1 (E) The identification, preservation, renovation, rehabilitation, reconstruction,
2 remodeling, repair, demolition, alteration, or restoration of buildings or sites which are
3 of historical significance;

4 (F) The preservation, protection, renovation, rehabilitation, restoration, alteration,
5 improvement, maintenance, and creation of open spaces or green spaces;

6 (G) The development, construction, reconstruction, repair, demolition, alteration, or
7 expansion of structures, equipment, and facilities for mass transit;

8 (H) The development, construction, reconstruction, renovation, rehabilitation, repair,
9 demolition, alteration, or expansion of telecommunication infrastructure;

10 (I) The development, construction, reconstruction, renovation, rehabilitation, repair,
11 demolition, alteration, or expansion of facilities for the improvement of pedestrian
12 access and safety;

13 (J) Improving or increasing the value of property; and

14 (K) The acquisition and retention or acquisition and disposition of property for
15 redevelopment purposes or the use for redevelopment purposes of property already
16 owned by a political subdivision or any agency or instrumentality thereof.

17 (6) 'Redevelopment agency' means the local legislative body of a political subdivision
18 or a public body corporate and politic created as the redevelopment agency of the
19 political subdivision or an existing public body corporate and politic designated as the
20 redevelopment agency of the political subdivision pursuant to Code Section 36-44-4.

21 (7) 'Redevelopment area' means:

22 (A) Any urbanized or developed area in which the structures, buildings, or
23 improvements, by reason of dilapidation, deterioration, age, or obsolescence,
24 inadequate provision for ventilation, light, air, sanitation, or open spaces, high density
25 of population and overcrowding, or the existence of conditions which endanger life or
26 property by fire and other causes, or any combination of such factors, is conducive to
27 ill health, transmission of disease, infant mortality, high unemployment, juvenile
28 delinquency, or crime and is detrimental to the public health, safety, morals, or welfare;

29 (B) Any urbanized or developed area which by reason of the presence of a predominant
30 number of substandard, slum, deteriorated, or deteriorating structures; the
31 predominance of defective or inadequate street layout, inadequate parking, roadways,
32 bridges, or public transportation facilities incapable of handling the volume of traffic
33 flow into or through the area, either at present or following proposed redevelopment;
34 the faulty lot layout in relation to size, adequacy, accessibility, or usefulness; unsanitary
35 or unsafe conditions; deterioration of site or other improvements; the diversity of
36 ownership, tax, or special assessment delinquency exceeding the fair value of the land;
37 diversity of ownership on defective or unusual conditions of title which prevent or

1 encumber the free alienability of land; or the existence of conditions which endanger
2 life or property by fire and other causes; or any combination of the foregoing,
3 substantially impairs or arrests the sound growth of the community, retards the
4 provision of housing accommodations or employment opportunities; or constitutes an
5 economic or social liability and is a menace to the public health, safety, morals, or
6 welfare in its present condition and use;

7 (C) Any open area located within an urbanized or developed area within the corporate
8 limits of a municipality which because of any factor or combination of factors
9 enumerated in subparagraph (A) or (B) of this paragraph has been determined by the
10 local legislative body to substantially ~~impairs~~ impair or ~~arrests~~ arrest the sound growth
11 of the community;

12 (D) Any area located within an urbanized or developed area and which, immediately
13 prior to becoming an open area, qualified, as determined by the local legislative body,
14 as a redevelopment area under subparagraph (A) or (B) of this paragraph;

15 (E) Any area located within an urbanized or developed area which is determined by the
16 local legislative body to be substantially underutilized by containing open lots or
17 parcels of land or by containing a substantial number of buildings or structures which
18 are 40 years old or older or by containing structures or buildings of relatively low value
19 as compared to the value of structures or buildings in the vicinity of the area or by
20 having development impaired by airport and related transportation noise or by related
21 environmental factors or an area in which there is a shortage of housing that is
22 affordable for persons of low or moderate income which the local legislative body
23 designates as appropriate for community redevelopment or by any combination of the
24 foregoing factors;

25 (F) Any geographic area designated within the comprehensive plan of a political
26 subdivision for redevelopment which has previously been developed for commercial,
27 residential, industrial, office, or similar or ancillary uses and which lies within the
28 service delivery area of the political subdivision, in which the current condition of the
29 area ~~is~~ has been determined by the local legislative body to be less desirable than the
30 redevelopment of the area for new commercial, residential, industrial, office, or other
31 uses, or a combination of uses, including the provision of open space or pedestrian and
32 transit improvements, and any geographic area that is adversely affected by airport or
33 transportation related noise or other environmental degradation, contamination, or other
34 environmental factors which the ~~political subdivision~~ local legislative body has
35 determined to be impairing or retarding the redevelopment of the area;

36 (G) Any urbanized or developed area or an area connecting two or more urbanized or
37 developed areas that has been subject to some development but which has been

1 determined by the Georgia Department of Transportation to encompass inadequate
 2 roadways, bridges, or public transportation or transit facilities that are incapable of
 3 handling the volume of traffic or passenger flow in or through the area in a safe and
 4 efficient manner either at present or following proposed redevelopment; or

5 (H) Any area constituted of the combined areas of operation of political subdivisions
 6 which have formed a common redevelopment agency as provided for in subsection (d)
 7 of Code Section 36-44-4 for the purpose of accomplishing a regional impact project
 8 determined, as provided in subparagraph (S) of paragraph (9) of this Code section, to
 9 be a project of regional significance and which could not be reasonably implemented
 10 without two or more political subdivisions acting jointly or in cooperation by forming
 11 a tax allocation district to service a combined redevelopment area; or

12 (I) Any area combining any factors specified in subparagraphs (A) through (G) (H) of
 13 this paragraph.

14 (8) 'Redevelopment costs' means any expenditures made or estimated to be made or
 15 monetary obligations incurred or estimated to be incurred to achieve the redevelopment
 16 of a redevelopment area or any portion thereof designated by a redevelopment plan or any
 17 expenditures made to carry out or exercise any powers granted by this chapter. Without
 18 limiting the generality of the foregoing, redevelopment costs may include any one or
 19 more of the following:

20 (A) Capital costs, including the costs incurred or estimated to be incurred for the
 21 construction of public works or improvements, new buildings, structures, and fixtures;
 22 the renovation, rehabilitation, reconstruction, remodeling, repair, demolition, alteration,
 23 or expansion of existing buildings, structures, and fixtures; the acquisition of
 24 equipment; and the clearing and grading of land;

25 (B) Financing costs, including, but not limited to, all necessary and incidental expenses
 26 related to the issuance of obligations and which may include payment of interest on any
 27 obligations issued under this chapter occurring during the estimated period of
 28 construction of any project with respect to which any capital costs within the meaning
 29 of subparagraph (A) of this paragraph are financed in whole or in part by such
 30 obligations and for a period not to exceed 42 months after completion of any such
 31 construction and including reasonable reserves related thereto and all principal and
 32 interest paid to holders of evidences of indebtedness issued to pay for other
 33 redevelopment costs and any premium paid over the principal amount thereof because
 34 of the redemption of such obligations prior to maturity;

35 (C) Professional service costs, including those costs incurred for architectural,
 36 planning, engineering, financial, marketing, and legal advice and services;

1 (D) Imputed administrative costs, including reasonable charges for the time spent by
2 public employees in connection with the implementation of a redevelopment plan;

3 (E) Relocation costs as authorized by a redevelopment plan for persons or businesses
4 displaced by the implementation of a redevelopment plan, including but not limited to,
5 those relocation payments made following condemnation under Chapter 4 of Title 22,
6 'The Georgia Relocation Assistance and Land Acquisition Policy Act';

7 (F) Organizational costs, including the costs of conducting environmental impact and
8 other studies, and the costs of informing the public with respect to the creation and
9 implementation of redevelopment plans;

10 (G) Payments to a political subdivision or board of education in lieu of taxes to
11 compensate for any loss of tax revenues or for any capital costs incurred because of
12 redevelopment activity; provided, however, that any such payments to a political
13 subdivision or board of education shall not exceed in any year the amount of the
14 contribution to the tax allocation increment in that year by such political subdivision
15 or board of education; and

16 (H) Real property assembly costs.

17 (9) 'Redevelopment plan' means a written plan of redevelopment for a redevelopment
18 area or a designated portion thereof which:

19 (A) Specifies the boundaries of the proposed redevelopment area;

20 (B) Explains the grounds for a finding by the local legislative body that the
21 redevelopment area on the whole has not been subject to growth and development
22 through private enterprise and would not reasonably be anticipated to be developed
23 without the approval of the redevelopment plan or that the redevelopment area includes
24 one or more natural or historical assets which have not been adequately preserved or
25 protected and such asset or assets would not reasonably be anticipated to be adequately
26 preserved or protected without the approval of the redevelopment plan;

27 (C) Explains the proposed uses after redevelopment of real property within the
28 redevelopment area;

29 (D) Describes any redevelopment projects within the redevelopment area proposed to
30 be authorized by the redevelopment plan, estimates the cost thereof, and sets forth the
31 amount of such redevelopment costs to be borne by the government serving the
32 redevelopment area and by the private developers engaged in the redevelopment
33 projects, explains the proposed method of financing such projects, and explains the
34 financial risks to be undertaken by such local government and private developers as
35 well as the bondholders of any tax allocation bonds issued pursuant to the
36 redevelopment projects;

1 (E) Describes any contracts, agreements, or other instruments creating an obligation
2 for more than one year which are proposed to be entered into by the political
3 subdivision or its redevelopment agency or both for the purpose of implementing the
4 redevelopment plan;

5 (F) Describes the type of relocation payments proposed to be authorized by the
6 redevelopment plan;

7 (G) Includes a statement that the proposed redevelopment plan conforms with the local
8 comprehensive plan, master plan, zoning ordinance, and building codes of the political
9 subdivision or explains any exceptions thereto;

10 (H) Estimates redevelopment costs to be incurred or made during the course of
11 implementing the redevelopment plan;

12 (I) Recites the last known assessed valuation of the redevelopment area and the
13 estimated assessed valuation after redevelopment;

14 (J) Provides that property which is to be redeveloped under the plan and which is either
15 designated as a historic property under Article 2 of Chapter 10 of Title 44, the 'Georgia
16 Historic Preservation Act,' or is listed on or has been determined by any federal agency
17 to be eligible for listing on the National Register of Historic Places will not be:

18 (i) Substantially altered in any way inconsistent with technical standards for
19 rehabilitation; or

20 (ii) Demolished unless feasibility for reuse has been evaluated based on technical
21 standards for the review of historic preservation projects,

22 which technical standards for rehabilitation and review shall be those used by the state
23 historic preservation officer, although nothing in this subparagraph shall be construed
24 to require approval of a redevelopment plan or any part thereof by the state historic
25 preservation officer;

26 (K) Specifies the proposed effective date for the creation of the tax allocation district
27 and the proposed termination date;

28 (L) Contains a map specifying the boundaries of the proposed tax allocation district
29 and showing existing uses and conditions of real property in the proposed tax allocation
30 district;

31 (M) Specifies the estimated tax allocation increment base of the proposed tax
32 allocation district;

33 (N) Specifies ad valorem property taxes for computing tax allocation increments
34 determined in accordance with Code Section 36-44-9 and supported by any resolution
35 required under paragraph (3) of Code Section 36-44-8;

36 (O) Specifies the amount of the proposed tax allocation bond issue or issues and the
37 term and assumed rate of interest applicable thereto;

1 (P) Estimates positive tax allocation increments for the period covered by the term of
2 the proposed tax allocation bonds;

3 (Q) Specifies the property proposed to be pledged for payment or security for payment
4 of tax allocation bonds which property may include positive tax allocation increments
5 derived from the tax allocation district, all or part of general funds derived from the tax
6 allocation district, and any other property from which bonds may be paid under Code
7 Section 36-44-14, subject to the limitations of Code Sections 36-44-9 and 36-44-20;
8 **and**

9 (R) Includes such other information as may be required by resolution of the political
10 subdivision whose area of operation includes the proposed redevelopment area; and

11 (S) Explains, in the case of a redevelopment plan for a combined area of operation, the
12 grounds for a finding by each local legislative body that the goals of the redevelopment
13 plan could not be reasonably attained without two or more political subdivisions acting
14 jointly or in cooperation.

15 (10) 'Resolution' means a resolution or ordinance by which a local legislative body takes
16 official legislative action, and any duly-adopted amendment thereto.

17 (11) 'Special fund' means the fund provided for in subsection (c) of Code Section
18 36-44-11.

19 (12) 'Tax allocation bonds' means one or more series of bonds, notes, or other obligations
20 issued by a political subdivision or by political subdivisions acting jointly or in
21 cooperation with one another or by or through a common redevelopment agency to serve
22 such participating political subdivisions as provided in subsection (d) of Code Section
23 36-44-4 to finance, wholly or partly, redevelopment costs within a tax allocation district
24 and which are issued on the basis of pledging for the payment or security for payment of
25 such bonds positive tax allocation increments derived from the tax allocation district, all
26 or part of general funds derived from the tax allocation district, and any other property
27 from which bonds may be paid under Code Section 36-44-14, as determined by the
28 political subdivision subject to the limitations of Code Sections 36-44-9 and 36-44-20.
29 Tax allocation bonds shall not constitute debt within the meaning of Article IX, Section
30 V of the Constitution. Tax allocation bonds issued by a common redevelopment agency
31 may be secured by an intergovernmental agreement entered into by the local legislative
32 body of one or more political subdivisions acting jointly or in cooperation with one
33 another according to the subject redevelopment plan as authorized by this chapter or by
34 Article IX, Section III, Paragraph I(a) of the Constitution.

35 (13) 'Tax allocation district' means a contiguous geographic area within a redevelopment
36 area which is defined and created by resolution of the local legislative body of a political
37 subdivision or by political subdivisions acting jointly or in cooperation with one another

1 or by a common redevelopment agency to serve such participating political subdivisions
 2 as provided in subsection (d) of Code Section 36-44-4 pursuant to subparagraph (B) of
 3 paragraph (3) of Code Section 36-44-8 for the purpose of issuing tax allocation bonds to
 4 finance, wholly or partly, redevelopment costs within the area.

5 (14) 'Tax allocation increment' means that amount obtained by multiplying the total ad
 6 valorem property taxes, determined as provided in Code Section 36-44-9, levied within
 7 a tax allocation district in any year by a fraction having a numerator equal to that year's
 8 taxable value of all taxable property subject to ad valorem property taxes within the tax
 9 allocation district minus the tax allocation increment base and a denominator equal to that
 10 year's taxable value of all taxable property subject to ad valorem property taxes within
 11 the tax allocation district. In any year, a tax allocation increment is 'positive' if the tax
 12 allocation increment base is less than that year's taxable value of all taxable property
 13 subject to ad valorem property taxes and 'negative' if such base exceeds such taxable
 14 value.

15 (15) 'Tax allocation increment base' means the taxable value of all taxable property
 16 subject to ad valorem property taxes, as certified by the state revenue commissioner,
 17 located within a tax allocation district on the effective date such district is created
 18 pursuant to Code Section 36-44-8.

19 (16) 'Taxable property' means all real and personal property subject to ad valorem
 20 taxation by a political subdivision, including property subject to local ad valorem taxation
 21 for educational purposes.

22 (17) 'Taxable value' means the current assessed value of taxable property as shown on
 23 the tax digest of the county in which the property is located."

24 SECTION 2.

25 Said chapter is further amended by revising Code Section 36-44-5, relating to redevelopment
 26 powers of political subdivisions, as follows:

27 "36-44-5.

28 (a) Subject to the limitation of subsection (b) of this Code section, a political subdivision
 29 may exercise any powers necessary or convenient to carry out the purposes of this chapter,
 30 including, but not limited to, the power to:

31 (1) Describe the boundaries of one or more redevelopment areas within its area of
 32 operation, but any redevelopment area so described shall conform to the definition of a
 33 redevelopment area provided by paragraph (7) of Code Section 36-44-3;

34 (2) Cause redevelopment plans to be prepared, to approve by resolution the plans, and
 35 to implement the provisions and effectuate the purposes of the plans;

1 (3) Create within redevelopment areas tax allocation districts and define the boundaries
2 thereof or designate an entire redevelopment area as a tax allocation district;

3 (4) Define the boundaries of portions of a redevelopment area or an entire redevelopment
4 area for the implementation of redevelopment plans other than plans calling for the
5 creation of tax allocation districts;

6 (5) Issue tax allocation bonds individually or jointly or in cooperation with one or more
7 additional political subdivisions;

8 (6) Deposit moneys into and disburse moneys from the special fund of any tax allocation
9 district;

10 (7) Enter into and execute any contracts, leases, mortgages, or other agreements,
11 including agreements with bondholders or lenders, determined by the local legislative
12 body to be necessary or convenient to implement the provisions and effectuate the
13 purposes of redevelopment plans. The contracts or agreements may include conditions,
14 restrictions, or covenants which either run with the land or otherwise regulate the use of
15 land;

16 (8) Acquire and retain or acquire and dispose of property or interests therein for
17 redevelopment purposes or use or dispose of property or interests therein presently owned
18 by the political subdivision for redevelopment purposes; and any disposition of such
19 property or interests therein may be by public or private sale or lease; and

20 (9) Exercise, for the purposes of this chapter, any powers conferred upon political
21 subdivisions by Chapter 61 of this title, the 'Urban Redevelopment Law.'

22 (b) The powers granted to political subdivisions by subsection (a) of this Code section and
23 by this chapter and any powers delegated to a redevelopment agency pursuant to Code
24 Section 36-44-6 may be exercised only for the purpose of adopting and implementing
25 redevelopment plans, but this limitation shall not be construed to interfere with the exercise
26 of any power now or hereafter possessed by a political subdivision which is granted by any
27 other law."

28 SECTION 3.

29 Said chapter is further amended by revising Code Section 36-44-6, relating to delegation of
30 redevelopment powers to a redevelopment agency, as follows:

31 "36-44-6.

32 (a) Subject to the limitations of subsection (b) of this Code section, the local legislative
33 body of a political subdivision, by resolution, may delegate any of its redevelopment
34 powers to its redevelopment agency created or designated pursuant to Code Section
35 36-44-4. Any common redevelopment agency created pursuant to subsection (d) of Code
36 Section 36-44-4 shall be authorized, subject to any limitation as may be imposed by the

1 respective participant local legislative bodies, to undertake to finance, wholly or partly,
 2 redevelopment costs, as defined in this chapter, within a tax allocation district created for
 3 a combined redevelopment area. The local legislative body shall have authority to delegate
 4 some or all such powers in such manner and pursuant to such terms and conditions as the
 5 local legislative body shall provide by resolution. Any such resolution shall specify any
 6 powers delegated to a redevelopment agency, and such resolution may be amended,
 7 modified, or repealed by the local legislative body adopting it.

8 (b) Any delegation of redevelopment powers pursuant to the authority of subsection (a)
 9 of this Code section shall be limited by the following requirements:

10 (1) Any redevelopment plan must be approved by resolution of the local legislative body
 11 of the political subdivision as a condition precedent to the implementation of said
 12 redevelopment plan, and such approval shall be subject to the requirements of Code
 13 Section 36-44-7;

14 (2) The boundaries of any redevelopment area must be described by resolution of the
 15 local legislative body of the political subdivision;

16 (3) A tax allocation district must be created by resolution of the local legislative body of
 17 the political subdivision;

18 (4) The issuance of any tax allocation bonds shall be by resolution of the local legislative
 19 body of the political subdivision, except in the case of a common redevelopment agency
 20 created pursuant to subsection (d) of Code Section 36-44-4 where the delegation of the
 21 power to issue tax allocation bonds by the common redevelopment agency shall be by
 22 resolution of the respective participant local legislative bodies;

23 (5) ~~Except as provided in subsection (c) of this Code section, the~~ The power of eminent
 24 domain may only be exercised under this chapter by the local legislative body of a
 25 political subdivision; and

26 (6) A local legislative body may not delegate to a redevelopment agency created under
 27 subsection (b), (c), (d), or (e) of Code Section 36-44-4 any urban redevelopment project
 28 powers except those which may be conferred on an urban redevelopment agency under
 29 Code Section 36-61-17 of the 'Urban Redevelopment Law.'

30 SECTION 4.

31 Said chapter is further amended by adding a new subsection to Code Section 36-44-9,
 32 relating to computation of tax allocation increments of tax allocation districts, to read as
 33 follows:

34 "(g) When a tax allocation district is created within the combined area of operation of
 35 political subdivisions which have adopted a combined redevelopment plan pursuant to
 36 subparagraph (S) of paragraph (9) of Code Section 36-44-3, property taxes for computing

1 tax allocation increments shall be based on ad valorem property taxes levied for
 2 governmental purposes or educational purposes of each political subdivision or board of
 3 education consenting to the combined redevelopment plan, except as otherwise conditioned
 4 by resolution of the local legislative bodies of the respective political subdivision or board
 5 of education."

6 **SECTION 5.**

7 Said chapter is further amended by revising Code Section 36-44-11, relating to allocation of
 8 positive tax allocation increments, as follows:

9 "36-44-11.

10 (a) Positive tax allocation increments of a tax allocation district shall be allocated to the
 11 political subdivision which created the district for each year from the effective date of the
 12 creation of the district until that time when all redevelopment costs and all tax allocation
 13 bonds of the district have been paid or provided for, subject to any agreement with
 14 bondholders. General funds derived from the tax allocation district which have been
 15 pledged for payment or security for payment of tax allocation bonds and other
 16 redevelopment costs of the tax allocation district shall also be allocated to the political
 17 subdivision which created the district for each year from the effective date of the creation
 18 of the district until that time when all redevelopment costs and all tax allocation bonds have
 19 been paid or provided for, subject to any agreement with bondholders.

20 (b)(1) Each county tax collector or tax commissioner, municipal official responsible for
 21 collecting municipal ad valorem property taxes, or consolidated government official
 22 responsible for collecting consolidated government ad valorem property taxes shall, on
 23 the dates provided by law for the payment of taxes collected to the respective political
 24 subdivisions, pay over to the appropriate fiscal officer of each political subdivision
 25 having created a tax allocation district, out of taxes collected on behalf of such political
 26 subdivision, including but not limited to taxes collected for a political subdivision or
 27 board of education consenting, pursuant to Code Section 36-44-9, to inclusion of its ad
 28 valorem property taxes in the computation of tax allocation increments for that tax
 29 allocation district, that portion, if any, which represents positive tax allocation increments
 30 payable to such political subdivision.

31 (2) In addition, each county shall, upon receipt, pay over to the appropriate fiscal officer
 32 of each municipality or common redevelopment agency in the case of a tax allocation
 33 district for a combined redevelopment area having created a tax allocation district that
 34 portion, if any, of its general funds derived from the tax allocation district which have
 35 been pledged for payment or security for payment of tax allocation bonds and for

1 payment of other redevelopment costs of the tax allocation district pursuant to Code
2 Section 36-44-9.

3 (3) In the case of a tax allocation district created within the combined areas of operation
4 of political subdivisions which have adopted a combined redevelopment plan pursuant
5 to subparagraph (S) of paragraph (9) of Code Section 36-44-3, each of the respective tax
6 collectors, tax commissioners, municipal officials, or consolidated government officials
7 responsible for collecting ad valorem property taxes shall pay such amounts to the
8 designated fiscal officer of the common redevelopment agency for deposit into a
9 combined special fund.

10 (c) All positive tax allocation increments received for a tax allocation district shall be
11 deposited into a special fund for the district upon receipt by the fiscal officer of the political
12 subdivision or common redevelopment agency in the case of a tax allocation district for a
13 combined redevelopment area. All general funds derived from the tax allocation district
14 which have been pledged for payment or security for payment of tax allocation bonds and
15 other redevelopment costs of the tax allocation district shall be deposited upon receipt into
16 the special fund. Any lease or other contract payments made under the district's
17 redevelopment plan shall also be deposited upon receipt into the special fund. Moneys
18 derived from positive tax allocation increments, general fund moneys, and moneys derived
19 from lease or other contract payments shall be accounted for separately within the special
20 fund. Moneys shall be paid out of the fund only to pay redevelopment costs of the district
21 or to satisfy claims of holders of tax allocation bonds issued for the district. The local
22 legislative body shall irrevocably pledge all or a part of such special fund to the payment
23 of the tax allocation bonds. The special fund or designated part thereof may thereafter be
24 used only for the payment of the tax allocation bonds and interest until they have been fully
25 paid, and a holder of said bonds shall have a lien against the special fund or said designated
26 part thereof pledged for payment of said bonds and may either at law or in equity protect
27 and enforce the lien. General funds derived from the tax allocation district may be used
28 for payment of tax allocation bonds only to the extent that positive tax allocation
29 increments and lease or other contract payments in the special fund are insufficient at any
30 time to pay principal and interest due on such bonds. Subject to any agreement with
31 bondholders, moneys in the fund may be temporarily invested in the same manner as other
32 funds of the political subdivision. Except as provided in Code Section 36-44-20, general
33 funds derived from the tax allocation district may be used for payment of tax allocation
34 bonds only to the extent that positive tax allocation increments and lease or other contract
35 payments in the special fund are insufficient at any time to pay the principal and interest
36 due on such bonds. After all redevelopment costs and all tax allocation bonds of the
37 district have been paid or provided for, subject to any agreement with bondholders, if there

1 remains in the fund any moneys derived from positive tax allocation increments, they shall
 2 be paid over to each county, municipality, consolidated government, or county or
 3 independent board of education whose ad valorem property taxes were affected by the tax
 4 allocation district in proportion to the aggregate contribution of such taxes by such political
 5 subdivision less aggregate payments to such political subdivision pursuant to subparagraph
 6 (G) of paragraph (8) of Code Section 36-44-3 and in the same manner as the most recent
 7 distribution by the county tax collector or tax commissioner, municipal official responsible
 8 for collecting municipal ad valorem property taxes, or consolidated government official
 9 responsible for collecting consolidated government ad valorem property taxes. If there
 10 remains in the fund any other moneys, they shall be paid over to each political subdivision
 11 which contributed to the fund in proportion to the respective total contribution each made
 12 to the fund."

13 SECTION 6.

14 Said chapter is further amended by revising Code Section 36-44-13, relating to payment of
 15 redevelopment costs, as follows:

16 "36-44-13.

17 Payment of redevelopment costs may be made by any of the following methods or any
 18 combination thereof:

19 (1) Payment by the political subdivision or common redevelopment agency in the case
 20 of a tax allocation district for a combined redevelopment area from the special fund of
 21 the tax allocation district;

22 (2) Payment from the general funds of a political subdivision subject to the limitations
 23 of Code Sections 36-44-9 and 36-44-20;

24 (3) Payment out of the proceeds of the sale of revenue bonds issued by the political
 25 subdivision pursuant to Chapter 61 of this title, the 'Urban Redevelopment Law,' and
 26 revenue bonds may be issued under such law for redevelopment purposes within the
 27 meaning of this chapter;

28 (4) Payment out of the proceeds of the sale of tax allocation bonds issued by the political
 29 subdivision under this chapter;

30 (5) Payment from the proceeds from any loans made to a political subdivision pursuant
 31 to the authority of Code Section 36-44-16; ~~and~~

32 (6) Lease payments and other payments pursuant to contracts under a redevelopment
 33 plan; and

34 (7) Payment out of the proceeds of the sale of revenue bonds issued by a common
 35 redevelopment agency."

SECTION 7.

Said chapter is further amended by revising Code Section 36-44-14, relating to issuance of tax allocation bonds, as follows:

"36-44-14.

(a) Only for the purpose of paying redevelopment costs for a tax allocation district created under this chapter, the local legislative body or the local legislative bodies of two or more political subdivisions acting jointly or in cooperation with one another or by or through a common redevelopment agency created to serve such participating political subdivisions as provided in subsection (d) of Code Section 36-44-4 may issue tax allocation bonds. Tax allocation bonds are declared to be negotiable instruments. Tax allocation bonds issued under the provisions of this chapter are declared to be issued for an essential public and governmental purpose and, together with interest thereon and income therefrom, shall be exempted from all taxes.

(b) All tax allocation bonds, notes, and other obligations shall be authorized by resolution of the local legislative body, adopted by a majority vote of the members thereof at a regular or special meeting and without the necessity of a referendum or any electoral approval. The resolution shall state the name of the tax allocation district and the aggregate principal amount of the tax allocation bonds authorized.

(c) Tax allocation bonds, notes, or other obligations issued by a local legislative body under this chapter shall be payable solely from the property pledged, mortgaged, conveyed, assigned, hypothecated, or otherwise encumbered to secure or to pay such bonds, notes, or other obligations, which property shall be limited to real or personal property acquired pursuant to this chapter and the proceeds from any source from which redevelopment costs may be paid under Code Section 36-44-13, but subject to the limitations of Code Sections 36-44-9 and 36-44-20. Each such bond, note, or other obligation shall contain recitals as are necessary to show that it is only so payable and that it does not otherwise constitute an indebtedness or a charge against the general taxing power of the political subdivision or county or independent board of education consenting to the use of property taxes as a basis for computing tax allocation increments or consenting to the use of general funds derived from the tax allocation district.

(d) To increase the security and marketability of tax allocation bonds, notes, or other obligations, a local legislative body may:

- (1) Create a lien for the benefit of the bondholders upon any public improvements or public works financed thereby or the revenues therefrom; and
- (2) Make covenants and do any and all acts not inconsistent with the Constitution or this chapter as may be necessary or convenient or desirable in order additionally to secure tax

1 allocation bonds, notes, or other obligations or tend to make them more marketable
2 according to the best judgment of the local legislative body.

3 (e) Tax allocation bonds, notes, or other obligations shall bear such date or dates, shall
4 mature at such time or times not more than 30 years from their respective dates, shall bear
5 interest at such rate or rates which may be fixed or may fluctuate or otherwise change from
6 time to time, shall be subject to redemption on such terms, and shall contain such other
7 terms, provisions, covenants, assignments, and conditions as the resolution authorizing the
8 issuance of such bonds, notes, or other obligations may permit or provide. The terms,
9 provisions, covenants, assignments, and conditions contained in or provided or permitted
10 by any resolution of the local legislative body authorizing the issuance of such tax
11 allocation bonds, notes, or other obligations shall bind the members of the local legislative
12 body then in office and their successors.

13 (f) The local legislative body shall have power from time to time and whenever it deems
14 it expedient to refund any tax allocation bonds by the issuance of new tax allocation bonds,
15 whether or not the bonds to be refunded have matured, and may issue such bonds partly to
16 refund bonds then outstanding and partly for any other purpose permitted under this
17 chapter. The refunding bonds may be exchanged for the bonds to be refunded, with such
18 cash adjustments as may be agreed upon, or may be sold at such price as the local
19 legislative body may determine and the proceeds applied to the purchase or redemption of
20 the bonds to be refunded.

21 (g) Tax allocation bonds may not be issued in an amount exceeding the estimated
22 aggregated redevelopment costs for the tax allocation district. Any limitations with respect
23 to interest rates or any maximum interest rate or rates found in Article 3 of Chapter 82 of
24 this title, the 'Revenue Bond Law,' the usury laws of this state, or any other laws of this
25 state shall not apply to tax allocation bonds, notes, or other obligations of a local legislative
26 body.

27 (h) All tax allocation bonds issued by a local legislative body under this chapter shall be
28 issued and validated under and in accordance with Article 3 of Chapter 82 of this title, the
29 'Revenue Bond Law,' except as provided in this chapter.

30 (i) Tax allocation bonds issued by a local legislative body may be in such form and may
31 be subject to such exchangeability and transferability provisions as the bond resolution
32 authorizing the issuance of such bonds or any indenture or trust agreement may provide.

33 (j) Tax allocation bonds shall bear a certificate of validation. The signature of the clerk of
34 the superior court of the county in which the issuing local legislative body is located may
35 be made on the certificate of validation of such bonds by facsimile or by manual execution,
36 stating the date on which such bonds were validated; and such entry shall be original

1 evidence of the fact of judgment and shall be received as original evidence in any court in
2 this state.

3 (k) In lieu of specifying the rate or rates of interest which tax allocation bonds to be issued
4 by a local legislative body are to bear, the notice to the district attorney or the Attorney
5 General, the notice to the public of the time, place, and date of the validation hearing, and
6 the petition and complaint for validation may state that the bonds when issued will bear
7 interest at a rate not exceeding a maximum per annum rate of interest, which rate may be
8 fixed or may fluctuate or otherwise change from time to time, specified in such notices and
9 petition and complaint or may state that, in the event the bonds are to bear different rates
10 of interest for different maturity dates, none of such rates will exceed the maximum rate
11 so specified, which rate may be fixed or may fluctuate or otherwise change from time to
12 time; provided, however, that nothing in this Code section shall be construed as prohibiting
13 or restricting the right of a local legislative body to sell such tax allocation bonds at a
14 discount, even if in doing so the effective interest cost resulting therefrom would exceed
15 the maximum per annum interest rate specified in such notices and in the petition and
16 complaint.

17 (l) The term 'redevelopment costs' shall have the meaning prescribed in this chapter
18 whenever that term is referred to in tax allocation bond resolutions of a local legislative
19 body, in tax allocation bonds, notes, or other obligations of a local legislative body, or in
20 notices or proceedings to validate such bonds, notes, or other obligations of a local
21 legislative body.

22 (m) Subject to the limitations and procedures provided by this chapter, the agreements or
23 instruments executed by a local legislative body may contain such provisions not
24 inconsistent with law as shall be determined by the local legislative body.

25 (n) The proceeds derived from the sale of all tax allocation bonds, notes, and other
26 obligations issued by a local legislative body shall be held and used for the ultimate
27 purpose of paying, directly or indirectly as permitted in this chapter, redevelopment costs
28 or for the purpose of refunding any tax allocation bonds, notes, or other obligations issued
29 in accordance with this chapter.

30 (o) Issuance by a local legislative body of one or more series of tax allocation bonds,
31 notes, or other obligations for one or more purposes shall not preclude it from issuing other
32 tax allocation bonds, notes, or other obligations in connection with the same redevelopment
33 plan or with any other redevelopment plan; but the proceeding wherein any subsequent
34 bonds, notes, or other obligations are issued shall recognize and protect any prior loan
35 agreement, mortgage, deed to secure debt, trust deed, security agreement, or other
36 agreement or instrument made for any prior issue of bonds, notes, or other obligations,
37 unless in the resolution authorizing such prior issue the right is expressly reserved to the

1 local legislative body to issue subsequent bonds, notes, or other obligations on a parity with
2 such prior issue.

3 (p) A local legislative body shall have the power and is authorized, whenever tax
4 allocation bonds of the local legislative body shall have been validated as provided in this
5 chapter, to issue from time to time its notes in anticipation of such bonds as validated and
6 to renew from time to time any such notes by the issuance of new notes, whether or not the
7 notes to be renewed have matured. The local legislative body may issue such bond
8 anticipation notes only to provide funds which would otherwise be provided by the
9 issuance of the bonds as validated. Such notes may be authorized, sold, executed, and
10 delivered in the same manner as bonds. As with its bonds, the local legislative body may
11 sell such notes at public sale or at private sale. Any resolution or resolutions authorizing
12 such notes of the local legislative body or any issue thereof may contain any provisions
13 which the local legislative body is authorized to include in any resolution or resolutions
14 authorizing bonds of the local legislative body to any issue thereof; and the local legislative
15 body may include in any such notes any terms, covenants, or conditions which the local
16 legislative body is authorized to include in any bonds. Validation of such bonds shall be
17 a condition precedent to the issuance of such notes, but it shall not be required that such
18 notes be judicially validated. Bond anticipation notes shall not be issued in an amount
19 exceeding the par value of the bonds in anticipation of which they are to be issued."

20 SECTION 8.

21 Said chapter is further amended by revising Code Section 36-44-16, relating to loans for
22 financing redevelopment costs, as follows:

23 "36-44-16.

24 As an additional source for financing redevelopment costs;:

25 (1) A political subdivision or its redevelopment agency may borrow funds from
26 financial institutions and, in connection therewith, may pledge or assign lease contracts
27 or revenue received from lease contracts on property owned by the political subdivision
28 or its redevelopment agency within a redevelopment area. A political subdivision or its
29 redevelopment agency is authorized to enter into contracts with financial institutions for
30 the purpose of exercising the authority provided by this Code section, and such contracts
31 may obligate the political subdivision or its redevelopment agency for any number of
32 years not exceeding 25. Contractual obligations incurred by a political subdivision
33 pursuant to this Code section shall not constitute debt within the meaning of Article IX,
34 Section V of the Constitution; or

35 (2) In the case of a tax allocation district created for a combined redevelopment area, the
36 common redevelopment agency may issue its revenue bonds, if authorized by the law

1 creating such agency, secured by an intergovernmental agreement with one or more of
2 the political subdivisions forming the combined redevelopment area, pursuant to which
3 the political subdivisions may assign their rights in the combined special fund and in tax
4 increment revenues derived from their respective jurisdictions in consideration of the
5 combined redevelopment agency undertaking to implement the combined redevelopment
6 plan and to finance redevelopment costs for such plan."

7 **SECTION 9.**

8 All laws and parts of laws in conflict with this Act are repealed.